

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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| In re | : | Chapter 11 |
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| DELPHI CORPORATION, <u>et al.</u> , | : | Case No. 05-44481 (RDD) |
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| Debtors. | : | (Jointly Administered) |
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ORDER AUTHORIZING MODIFICATION OF BENEFITS UNDER HOURLY AND
SALARIED PENSION PROGRAMS AND MODIFICATION OF APPLICABLE
UNION AGREEMENTS IN CONNECTION THEREWITH

("HOURLY AND SALARIED PENSION PROGRAM MODIFICATION ORDER")

Upon the expedited motion, dated September 12, 2008 (the "Motion"), of Delphi Corporation and certain of its subsidiaries and affiliates, debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), for an order authorizing the Debtors to modify benefits under certain of the Debtors' hourly and salaried retirement programs;¹ and due and appropriate notice of the Motion, the relief requested therein, and the opportunity for a hearing on the Motion having been served by the Debtors in accordance with the Supplemental Order Under 11 U.S.C. §§ 102(1) And 105 And Fed. R. Bankr. P. 2002(m), 9006, 9007, And 9014 Establishing Omnibus Hearing Dates And Certain Notice, Case Management, And Administrative Procedures, entered March 20, 2006 (Docket No. 2883); and the Court having held a hearing on the Motion on September 23, 2008 (the "Hearing"); and this Court having core jurisdiction over the Chapter 11 Cases, the Motion, this Order, and the parties and property affected hereby pursuant to 28. U.S.C. §§ 157(b) and 1334; and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

and 1409; and upon the Preliminary Objection Of The Official Committee Of Unsecured Creditors, dated September 12, 2008 (Docket No. 14168), the Limited Objection of the IUE-CWA, filed on September 15, 2008 (Docket No. 14176), the Objection Of The Official Committee Of Unsecured Creditors, dated September 19, 2008 (Docket No. 14205), the Limited Objection of the United Steel Workers of America, dated September 22, 2008 (Docket No. 14216), and the Objection Of Dawn M. Eaton, dated September 22, 2008 (Docket No. 14249) (collectively, the "Objections"); and upon and subject to the record of the Hearing and after due deliberation and consideration, and sufficient cause appearing therefor, it is hereby;

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is hereby GRANTED in its entirety.
2. The Objections to the Motion that have not been withdrawn are hereby overruled.
3. The Debtors are hereby authorized, but not directed, to freeze the Delphi Hourly-Rate Employees Pension Plan (the "Hourly Plan"), in whole or in part, effective as soon as practicable following receipt of consent from the applicable Unions and satisfaction of Delphi's notice obligations in accordance with section 204(h) of ERISA.
4. Subject to the consent of the applicable Unions, the Debtors are hereby authorized, but not directed, to make such modifications to the Debtors' agreements with such Union(s), as may be necessary to implement the freeze of the Hourly Plan, in whole or in part, as soon as practicable.
5. The Debtors are hereby authorized, but not directed, to freeze the Delphi Retirement Program for Salaried Employees, the Delphi Mechatronic Systems

Retirement Program, the ASEC Manufacturing Retirement Program, and the Packard-Hughes Interconnect Non-Bargaining Retirement Plan, effective September 30, 2008.

6. The Debtors are hereby authorized, but not directed, to freeze the Supplemental Executive Retirement Program (the "SERP"), effective September 30, 2008.

7. The Debtors are hereby authorized, but not directed, to institute the Delphi contributions under the Delphi Savings-Stock Purchase Program (renamed the "Delphi Salaried Retirement Savings Program") for salaried employees, substantially in the form attached hereto as Exhibit 1, effective October 1, 2008.

8. The Debtors are hereby authorized, but not directed, to implement the amended SERP (the "Amended SERP") substantially in the form attached hereto as Exhibit 2, effective as of October 1, 2008, which, however, absent further Court order, shall neither vest nor be payable until the Debtors emerge from chapter 11.

9. The Debtors are hereby authorized, but not directed, to implement the amended SRESP (the "Amended SRESP") substantially in the form attached hereto as Exhibit 3, which, however, absent further Court order, will become effective when the Debtors emerge from chapter 11.

10. This Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this order.

11. Notwithstanding Bankruptcy Rule 6004(g) or any other provision of the Bankruptcy Rules or Bankruptcy Code, the terms and conditions of this order shall be immediately effective and enforceable upon its entry.

Dated: New York, New York
September 23, 2008

/s/Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE